

New budget (Continued from P. 3)

other dependants under 18 years of age will be held at the current \$710 level for 1984 and subsequent taxation years.

Other tax changes

In the area of energy and resource taxes the federal government has announced that the incremental oil revenue tax (IORT) on conventional oil, which was due to be reinstated after a one-year suspension, will be suspended for a further year to May 31, 1984.

To encourage enhanced oil recovery projects, the petroleum and gas revenue tax (PGRT) will not become payable in respect of such projects until eligible capital costs have been recovered. This will apply to eligible expenditures after December 31, 1982.

In view of the narrowing spread between world and domestic oil prices, the extra income tax relating to aviation turbine fuel used on international flights and the special levy on exported marine bunker fuel will be ended effective May 1, 1983.

Effective July 1, 1983, a 6 per cent sales tax will apply to commercial charges for radio, television and other programming services that are provided by telecommunication. This will include charges for TV cable rental, pay-TV and movies shown on hotel TV sets.

Limits for the tourist exemption — the value of goods that can be brought back to Canada free of duty and tax by returning Canadians — are being doubled. Effective April 20, 1983, the quarterly exemption is raised to \$100 and the annual exemption to \$300.

In addition the budget contains lower rates for customs duty on some \$10 million in annual imports from developing countries under the General Preferential Tariff.

Economic outlook

Real gross national product (GNP) this year is forecast to grow, on average, 2.3 per cent above the 1982 average output, though the downswing last year means that real GNP at the end of 1983 should be about 6.5 per cent higher than it was at the end of 1982. Strong growth is forecast in 1984, averaging 5.2 per cent.

Inflation is expected to average 6.3 per cent this year and 5 per cent in 1984.

Employment should grow fairly strongly this year and even more strongly in 1984. Over 600 000 more Canadians

are expected to be working at the end of 1984 than at the end of 1982. However, unemployed workers returning to the labour force will maintain upward pressure on the unemployment rate, which is forecast to average 12.4 per cent this year. Although the average level may only fall to 11.4 per cent in 1984, unemployment will be on a clear downward trend through the coming years.

The deficit for 1982-83 is estimated at \$25.3 billion, some \$2 billion less than forecast in February.

The 1983-84 budgetary deficit is forecast to rise to \$31.3 billion, with \$1.8 billion of the increase caused by measures in the budget. The moderate rate of economic growth this year, continuing high unemployment and declines in oil prices will also contribute to the higher deficit.

As the economy gains strength over the medium term, the government's fiscal plan is to bring the deficit down as quickly as economic conditions permit. Restraint on expenditure growth will hold federal government outlays to a steadily declining share of GNP from now to 1986-87.

Over the medium term, the net impact of the budget measures is to increase the federal deficit by \$1.9 billion in the current year and by \$650 million next year, but reduce it by \$1.8 billion and \$2.6 billion in the following two years, as the economy improves.

News briefs

Sixteen Canadians recently received Lifestyle Awards and Certificates of Honour from Health and Welfare Minister Monique Bégin at a ceremony in Ottawa during National Volunteer Week. The Lifestyle Award was established in 1977 and is presented twice each year by the minister to individuals who have made, on a voluntary basis, a remarkable and continuing contribution in promoting health and social services in their communities. Although it is a national award, it recognizes special efforts made at the local and regional level. To date more than 150 Canadians have been honoured under the program.

The federal government has earmarked \$15.5 million to support forestry training over the next three years. Another \$5.5 million will go towards strengthening the federal effort in forestry research and development over the next year.



The Citizen

Massimo Rossi, 12, tucks into a plate of spaghetti during Italian Day at an Ottawa school. In true multicultural fashion, English-speaking Grade 6 students at the school were learning about Italy in their French program.

Sylvie Daigle of Sherbrooke, Quebec set a world record recently in winning the women's 3 000 metres at the international short-track, speed-skating championship at Kobe, Japan. Daigle won the event in 5 minutes 32.31 seconds; the previous world best was 5:40.73. In addition, a quartet composed of Daigle, Nathalie Lambert, Maryse Perreault of Sherbrooke and Marie-José Martin of Longueuil, Quebec, took the 3 000-metre relay in a time of 4:56.24. In the men's competitions, Benoit Lamarche of Ste. Foy, Quebec, was a double winner, finishing first in the 1 000- and the 3 000-metre races. He also helped Canada win the 5 000-metre relay.

Canada Weekly is published by the Public Affairs Branch, Department of External Affairs, Ottawa K1A 0G2.

Material may be freely reprinted. A credit would be appreciated. Photo sources, if not shown, will be provided on request to the editor, Joanna Kerr.

Cette publication existe également en français sous le titre Hebdo Canada.

Algunos números de esta publicación aparecen también en español bajo el título Noticiario de Canadá.

Alguns artigos desta publicação são também editados em português sob o título Notícias do Canadá.

Canada 